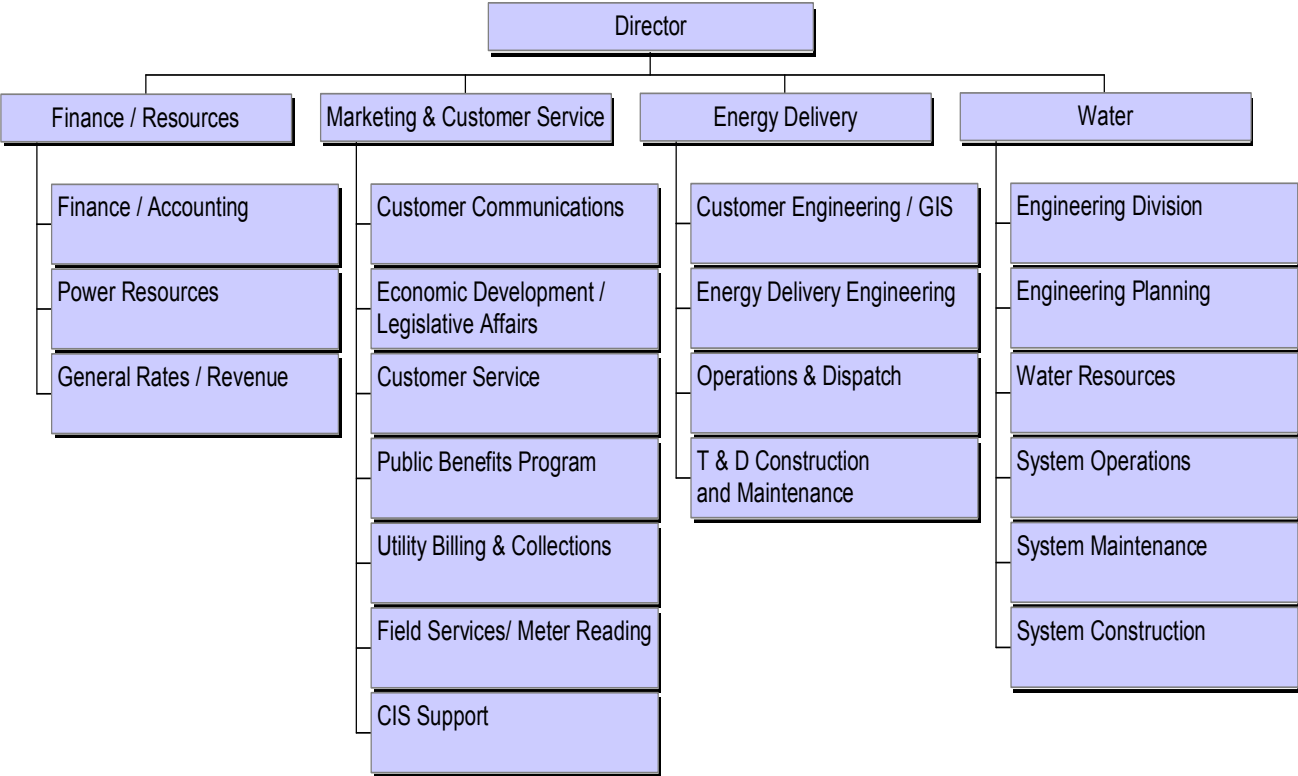


Public Utilities



Description of the Service

Electric

Riverside Public Utilities provides electric service to over 99,000 customers, with a service area population of approximately 266,000, encompassing over 85 square miles. Riverside Public Utilities owns, maintains and operates 85.3 circuit miles of transmission lines, 1,126 circuit miles of distribution lines, and 14 substations.

The Electric Utility contributes 9 percent of operating revenue dollars to the City’s General Fund. For FY 2002/03, this is estimated to be over \$16.0 million. This money is essential for providing needed public services, such as library books, street repair, park maintenance, and increased public safety.

The Electric Utility acts competitively, with a sharp focus on customers, while maintaining a financially sound utility. Compared to other local utilities, Riverside’s rates are lower, reliability is higher and more funds are returned to the local community in the way of low-income assistance, rebates and community support. The Electric division is targeting efforts to increase conservation and energy efficiency, and is developing strategies to increase the amount of renewable energy in its portfolio.

Water

The Water Utility is responsible for providing adequate water supplies to its customers at the lowest possible cost. This includes assuring continued access to water resources while maintaining a high quality water supply and reliable water distribution system. The Water Utility has made significant strides in water treatment, with 3 new treatment plants placed in service over the last several years. In addition, several significant water line replacements have been completed, ensuring improved reliability.

The Water Utility services over 60,000 customers, with a service area population of approximately 245,000, encompassing over 80 square miles. The Water Utility maintains its own distribution system, which contains 938 miles of pipeline ranging from 1” to 72” in diameter, 47 domestic wells, 16 active reservoirs (with a capacity over 100 million gallons) and 12 miles of canals.

The Water Utility contributes 11.5 percent of operating revenues to the City’s General Fund, which will amount to nearly \$3.1 million for FY 2002/03.

Public Utilities

Mission Statement

Riverside Public Utilities is committed to the highest quality water and electric services at the lowest possible rates to benefit the community.

Vision

Riverside Public Utilities will be recognized as a community treasure with a national reputation for excellence.

Strategic Priorities Addressed

- Improve and preserve our quality of life
- Reduce transportation congestion and improve traffic flow
- Address Riverside's social concerns with community involvement
- Beautify the City

Major 2003/04 Priorities

- Maintain high customer service/satisfaction levels.
- Continue efforts to increase "green" and renewable energy resources.
- Expand under-grounding and cable replacement programs in the Electric Utility.
- Implement the approved long-term power supply plan.
- Construct an Energy Demonstration/Customer Service Center in Casa Blanca.
- Continue construction on the pipeline replacement program, emphasizing fire flow.
- Continue ongoing efforts to achieve the Water Utility goal of "non-detect at the tap".
- Construct improvements related to the Cal Trans-sponsored 60/91/215 freeway expansion.
- Reconstruct portions of the Riverside Water Company Canal.

Programs and Program Goals

FY 2002/03

Electric

Management Services Administrative: To provide policy direction/leadership/vision, administrative support, and fiscal management to enable the Department to achieve program outcomes while complying with federal, state, local, and other requirements.

Customer Service: To receive and respond to hundreds of thousands of City of Riverside customer requests and inquiries in order to provide prompt, courteous, and professional services.

Utility Billing Section: To efficiently process meter readings, service orders, journal entries and billing exceptions in order to verify billing accuracy and to reduce the rate of rejected billings and contribute to the overall effectiveness of the Department.

Collections/Credit Program: To minimize the City's exposure to bad debts by effectively reviewing customer creditworthiness, successfully collecting on unpaid accounts, and administering sound credit and collection policies for the City of Riverside.

Field Services/Meter Reading: To maximize the efficiency of the City's Utility by initiating and terminating electric and water services, accurately reading meters, enforcing collection efforts, and administering the City's energy diversion policies.

Electric Transmission and Distribution Construction and Maintenance: To respond to customer emergency calls within 2 hours and to operate, maintain, and construct electric transmission, distribution, and communication systems for electric customers and others within our service territory in order that they will receive safe and reliable electric service.

Public Utilities

Programs and Program Goals

Customer Communications: To provide public communications, education, marketing and community support services to Riverside Public Utilities customers and other City departments in order to improve customer relations, promote loyalty and increase customer satisfaction.

Programs and Services Section: To administer the Public Benefits Charge to fund programs which provide public benefits to Riverside's electric customers in order to provide programs related to energy efficiency, conservation, research and development, renewable energy, and low-income assistance.

Economic Development/Legislative Affairs: To provide economic development presentations, electric service agreements, to promote business attraction and expansion while providing new jobs and increased revenues to the City, and to ensure legislation helps the utility fulfill its mission.

Electric Operations & Production: To respond to utility emergency calls, and to operate, maintain and construct utility systems for utility customers and others within the service territory in order to provide safe and reliable utility services.

Energy Delivery Engineering: To provide timely planning, coordination, and engineering services for the electric transmission system, distribution infrastructure, street lighting, substations, and communications systems in order to provide safe and reliable energy to our customers.

Customer Engineering—GIS: To provide design, GIS mapping, and project coordination services for the construction, upgrade, and operation of the Riverside Electric Utility system facilities servicing the residents and businesses in the City of Riverside in order to provide safe and reliable energy.

Power Resources: To operate generation resources, and provide reliable and economic power supply for Riverside's customers, and risk management/counterparty credit analysis in order to maximize the Department's savings and thereby help minimize the power costs for Riverside's electric customers.

Water

Water Construction and Maintenance: To provide for the maintenance and construction of the City's Municipal Water System in order that our customers have a safe, reliable, and efficient water system.

Water Engineering: To provide water system planning, engineering, resource management, development services, and administrative support to water utility customers and other divisions in order to support the Utility's infrastructure expansion and replacement needs.

Water System Operations: To provide the highest quality of water that meets or exceeds all State and Federal mandated quality guidelines at adequate pressure and flow, to meet firefighting requirements, and to meet the highest standards of reliability, for the customers of the City's Water Utility in order that they may receive adequate water for human consumption.

Public Utilities

Performance Measures

	Actual	Estimated	Target
	2001/02	2002/03	2003/04
% average residential electric rate that is lower than Southern California Edison	27%	9.4%	5%
% power costs (under) over budgeted cost	-6%	-3.7%	0%
% of annual load forecast versus actual load	N/A	-2.1%	+ or - 5%
Cost per utility bills and notices (CIS-I/S)	\$0.52	\$0.49	\$0.55
Meter reading accuracy percentage rate	99.99%	99.90%	99.70%
Customer average time on hold (phone center) /seconds	22	21	25
% of bad debt write off to utility revenue	0.33%	0.427%	0.30%
kWh saved due to Public Benefit programs	21,000,000	14,809,589	20,000,000
Electric System average interruption duration index (SAIDI)/min	34.73	56.73	50.00
Electric System average interruption frequency index (SAIFI)	0.46	0.88	1.15
% of reported street light repairs completed within 24 hours	95%	94%	90%
\$ per street light change out	\$201	\$216	\$216
% of Electric Plan Check turnaround times met or exceeded	95.8%	99%	99.9%
% average residential water rate differs from lowest local provider	-5%	-12.4%	< 0%
% of building plans reviewed within 30 days by water engineering division	100%	100%	100%

Recent Accomplishments

- Maintained Standard & Poors and Fitch credit ratings for Electric and Water Revenue Bonds.
- Continued efforts on the pipeline replacement program.
- Achieved longest record of continuous days without a "lost-time accident."
- Constructed photovoltaic generating station at La Sierra Metro link station and Indiana Avenue low- income apartment complex.
- Updated Financial Risk Management Policy.
- Implemented counterparty credit analysis per Counterparty Credit Policy.
- Anticipate completed contracts for 31 MW of green power.
- Completed construction and began commercial operation of 40 MW Springs Generation Facility to provide additional reliability to electric customers.
- Completed construction of the North Orange pipeline project and Palmyrita Treatment Plant providing the City with a third major water supply source.
- Updated and distributed the Utilities' Safety Manual and the Utilities' Emergency Response Manual to all employees.
- Became a Participating Transmission Owner with the Independent Systems Operator.
- Increased cash reserve policy.
- Gained approval of a three-year electric rate increase to ensure financial stability of the Electric Utility.
- Achieved 90 percent customer satisfaction ratings with utility services and customer service.
- Obtained federal and state legislative support of the Utility legislative policies.
- Supported over 200 local organizations and events.
- Ten economic development electric rate agreements over the last two years resulted in \$5,000,000 annual increase in electric revenues (and \$450,000 increase in the general fund transfer).

Department Summary

Budget Summary	Actual 2001/02	Budget 2002/03	Approved 2003/04	Change
Personnel Services	28,229,518	31,062,903	34,074,186	9.7%
Non-Personnel	185,327,524	160,022,057	156,998,520	-1.9%
Special Projects	8,682,430	6,940,000	4,555,000	-34.4%
Equipment Outlay	1,024,848	673,340	954,492	41.8%
<i>Direct Operating</i>	223,264,320	198,698,300	196,582,198	-1.1%
Debt Service	23,382,242	25,878,331	28,484,387	10.1%
Capital Outlay	64,588,118	32,758,400	87,658,000	167.6%
Charge From Others	10,981,394	12,341,393	13,103,186	6.2%
<i>Gross Budget</i>	322,216,074	269,676,424	325,827,771	20.8%
Charge To Others	(12,132,693)	(11,601,653)	(13,404,688)	15.5%
Net Budget	310,083,381	258,074,771	312,423,083	21.1%

Expenditure Summary (Net Budget)

Electric Utility	270,989,006	214,651,030	270,906,257	26.2%
Water Utility	39,094,375	43,423,741	41,311,192	-4.9%

Expenditure Total	310,083,381	258,074,771	312,217,449	21.0%
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Personnel Summary	405.60	414.60	425.60	11.00
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Program Summary

